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LEGISLATIVE HISTORY

Public Law 89-633
H. R. 15510

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INDEX AND SUMMARY OF H. R. 15510

June	7, 1966	Rep. Poage introduced H. R. 15510 which was referred to House Agriculture Committee. Print of bill as introduced.
July	14, 1966	House subcommittee voted to report H. R. 15510.
July	19, 1966	House committee voted to report H.R. 15510.
July	29, 1966	House committee reported H. R. 15510 without amendment. H. Report 1785. Print of bill and report.
Aug.	15, 1966	House passed over H. R. 15510 without prejudice.
Sept.	6, 1966	House passed H. R. 15510 without amendment.
Sept.	7, 1966	H. R. 15510 was referred to Senate Agriculture and Forestry Committee. Print of bill as referred.
Sept.	21, 1966	Senate committee voted to report H. R. 15510.
Sept.	22, 1966	Senate committee reported H. R. 15510 without amendment. S. Report 1633. Print of bill and report.
Sept.	26, 1966	Senate passed H. R. 15510 without amendment.
Oct.	8, 1966	Approved: Public Law 89-633.

Hearing: H. Agriculture Committee: Misc. hearing,
Serial WW.

DIGEST OF PUBLIC LAW 89-633

PREPAYMENTS ON INSURED LOANS. Amends the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made by insured loan borrowers in the insurance fund and, at his option, to remit to the holder only the regular installments as they become due.

89TH CONGRESS
2D SESSION

H. R. 15510

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1966

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That paragraph (2) of subsection 309 (f) of the Consolidated
4 Farmers Home Administration Act of 1961 is amended by
5 striking out the words "the due date of the annual install-
6 ment" and inserting in lieu thereof the word "due".

H. R. 15510

A BILL

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

By Mr. Poage

JUNE 7, 1966

Referred to the Committee on Agriculture

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
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Issued July 15, 1966
For actions of July 14, 1966
89th-2nd; No. 112

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Appropriations.....4	Foreign aid.....15	Recreation.....6,7
Community development...19	Forestry.....6,7	School milk.....3
Dairy.....22	Loans.....8	Soil surveys.....5
Economy.....9	Opinion poll.....11	Time.....21
Farm program.....10	Postal service.....24	Water pollution.....12
Farmers.....20	Poverty.....13	Wheat.....1
	President's speech.....17	

HIGHLIGHTS: Senate approved extension of International Wheat Agreement. House passed foreign aid authorization bill.

SENATE

1. WHEAT. Agreed to a protocol for extension of the International Wheat Agreement until July 31, 1967. pp. 14936-8
2. RECLAMATION. Sen. Moss commended and inserted an editorial favoring the Central Arizona project dams on the Colorado River. pp. 14922-3

3. MILK. Sen. Proxmire stated he will follow closely the school milk program to ascertain if the funds appropriated are "adequate." p. 14922
4. APPROPRIATIONS. Agreed to limit debate to one hour on each amendment to H. R. 14596, the agricultural appropriation bill, when the bill is considered today, July 15. p. 14942

HOUSE

5. SOIL SURVEYS. A subcommittee of the Agriculture Committee approved for full committee consideration S. 902, amended, to authorize this Department to provide soil information assistance to States and other public agencies, including community development districts, for guidance in community planning and resource development. p. D622-3
6. FORESTS. A subcommittee of the Agriculture Committee approved for full committee consideration H. R. 954, for the relief of certain persons having summer homes in the Pinecrest Recreation Area, Stanislaus National Forest. p. D623
7. RECREATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 936, to establish in Mich. the Sleeping Bear Dunes National Lakeshore; H. R. 2778, amended, to provide for the establishment of the Bighorn Canyon National Recreation Area; and H. R. 8678, amended, to establish in Mich. the Pictured Rocks National Lakeshore. p. D623
8. LOANS. A subcommittee of the Agriculture Committee approved for full committee consideration H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and transmit them to the holder of the note in installments as they become due. p. D623
9. ECONOMY. Rep. Ullman expressed concern for the future of the economy "because of skyrocketing interest rates and the critical imbalance in the national money supply." pp. 15034-6
10. FARM PROGRAM. Rep. Andrews, N. Dak., claimed there is an "anti-farm attitude of this administration with its hide export controls, cheese import increases and the cutbacks of domestic meat purchases for the military, reductions in school lunch and school milk funds--all designed to push down farm prices." p. 15037
11. OPINION POLL. Rep. Wydler inserted the results of a questionnaire including items of interest to this Department. p. 15053
12. WATER POLLUTION. Rep. Devine commended and inserted a speech by Rep. Cramer on the Federal water pollution control programs. pp. 15053-6
13. POVERTY. Rep. Cramer inserted an article bringing to light "further irregularities in the administration of the war on poverty on the west coast of Florida." pp. 15057-8
The Rules Committee was granted until midnight July 15 to file a report on H. R. 15111, to make various amendments to the Economic Opportunity Act. p. 14991

July 19, 1966

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HOUSE

12. SOIL SURVEYS. The Agriculture Committee voted to report (but did not actually report) S. 902, amended, to authorize this Department to provide soil information assistance to States and other public agencies, including community development districts, for guidance in community planning and resource development. p. D640
13. LOANS. The Agriculture Committee voted to report (but did not actually report) H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and transmit them to the holders of the notes in installments as they become due. p. D640
14. ACREAGE DIVERSION. The Agriculture Committee voted to report (but did not actually report) H. R. 14831, to amend the provisions of the law relating to the planting of crops on acreage diverted under the cotton, wheat, and feed grains program. p. D640
15. FORESTRY. The "Daily Digest" states that the Agriculture Committee" adopted a committee resolution, which disposes of H. R. 954 and related bills, for the relief of certain persons having summer homes in the Pinecrest Recreation Area, in the Stanislaus National Forest." p. D640-1
Rep. Wyatt stated that "an imminent and real disaster threatens the timber industry" because "high interest rates on mortgage loans are putting a virtual brake on new commitments for home construction." pp. 15498-9
16. POVERTY. The Rules Committee reported a resolution for the consideration of H. R. 15111, proposed amendments to the Economic Opportunity Act. p. 15510
17. APPROPRIATIONS. Began debate on H. R. 15941, the defense appropriation bill. The bill includes funds for milk for military personnel, which previously had been financed by USDA. pp. 15442-88
18. CONSERVATION. Rep. Edmondson commended the approval by Secretary Freeman of the Cherokee Hills Resource, Conservation, and Development project, Okla. p. 15494
19. PERSONNEL; SALARIES. Rep. Flynt spoke in favor of his bill H. R. 16302, to provide an equitable system for fixing and adjusting the rates of compensation of wage board employees. pp. 15493-4
20. BALANCE-OF-PAYMENTS. Rep. Curtis inserted articles discussing the National Foreign Trade Council forecast of a 1966 balance-of-payments deficit twice that of 1965. p. 15496
21. BUDGET. Reps. Albert, Boggs, Mahon, and Sikes commended the fiscal 1966 budget results announced July 19. pp. 15503-4

ITEMS IN APPENDIX

22. INFLATION. Extension of remarks of Rep. Curtis inserting an article, "Inflation Still Gnaws the Economy: Big Brother the Villain", and stating that "it is to be commended for laying the blame for the recent inflation at the administration's door." p. A3790

23. FARM CREDIT. Speech in the House by Rep. Teague urging passage of legislation to simplify the laws of the Farm Credit Administration. p. A3790
24. MILK. Extension of remarks of Rep. Callan stating that a proposal has been offered by the Food and Drug Admin. in which certain foods are allowed to be vitamin fortified and others are not, and that milk is one of those products in which vitamin fortifying is not allowed. pp. A3801-2
25. POVERTY. Rep. McCarthy inserted a three-part editorial review of the war on poverty. pp. A3810-1

BILLS INTRODUCED

26. HOLIDAYS. H. R. 16335 by Rep. Fulton of Pa., to provide that Flag Day shall be a legal public holiday; to Judiciary Committee.
H. J. Res. 1214 by Rep. Schisler, declaring the first Tuesday after the first Monday of November in each even-numbered year to be a legal public holiday; to Judiciary Committee.
27. WATERSHEDS. H. Con. Res. 833 by Rep. Davis of Ga., H. Con. Res. 834 by Rep. Greigg, H. Con. Res. 835 by Rep. Hansen of Iowa, H. Con. Res. 836 by Rep. O'Neal of Ga., and H. Con. Res. 838 by Rep. Stephens, urging the Bureau of the Budget to avoid delay in submission of watershed improvement plans; to Agriculture Committee.

BILL APPROVED BY THE PRESIDENT

28. PERSONNEL; PAY. H. R. 14122, the Federal employees pay bill. Approved July 18, 1966 (Public Law 89-504).

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COMMITTEE HEARINGS JULY 20:

Disaster relief bills, H. Public Works (Polk, FHA, to testify).

Food for freedom bill, S. Agriculture (exec).

Child nutrition bills, H. Agriculture (exec), and H. Education and Labor (exec).

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DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued August 1, 1966
For actions of July 29, 1966
89th-2nd; No. 123

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Child nutrition.....2	Food prices.....5	Personnel.....14,21
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Community development districts.....6	Inflation.....5,10	Reclamation.....3
Dairy industry.....9	Information.....15	Roads.....13
Diet food.....22	Labeling.....22	Trade fair.....6
	Lands.....8	Transportation.....18,24

HIGHLIGHTS. House committee reported bill to authorize USDA to hold prepayments of insured FHA loans. House committee reported child nutrition bill. House Rules Committee cleared community development districts bill.

HOUSE

- 1. LOANS.** The Agriculture Committee reported H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and transmit them to the holders of the notes in installments as they become due (H. Rept. 1785). ~~p. 16817~~
- 2. CHILD NUTRITION.** The Agriculture Committee reported with amendments H. R. 13361, to establish a cooperative Federal-State child nutrition program under the direction of this Department (H. Rept. 1787). p. 16817

3. RECLAMATION. The Interior and Insular Affairs Committee reported with an amendment H. R. 9976, relating to the compensation to owners of private land utilized for ditches or canals in connection with any reclamation projects (H. Rept. 1784). p. 16817
4. CIVIL RIGHTS. Continued debate on H. R. 14765, the civil rights bill. pp. 16792-808
5. FOOD PRICES; INFLATION. Rep. MacGregor criticized Secretary Freeman's alleged statement to Congressional candidates urging them to "slip, slide, and duck any question of higher consumer prices if you possibly can." p. 16813
6. RULES COMMITTEE. voted to report resolution for consideration of S. 3105, the military construction authorization bill (including Commodity Credit Corporation repayments for family housing); H. R. 15098, proposed HemisFair Act Amendments; and S. 2934, the community development districts bill. p. D694

SENATE

7. EDUCATION. Passed as reported S. 2097, to provide effective procedures for enforcement of the establishment and free exercise clauses of the first amendment to the Constitution. The bill would "achieve this ambition by affording the judicial machinery necessary for instituting an equitable action for declaratory judgment to obtain judicial review of the constitutionality of grants or loans" made under certain health and education acts and the Economic Opportunity Act. pp. 16824, 16856-73, 16890-93
8. LANDS. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 3178, to amend the Taylor Grazing Act so as to eliminate gaps in Interior's exchange authority under the Act. p. D692
9. DAIRY INDUSTRY. Sen. Aiken inserted three articles which he stated explain "why the price of milk has risen in the Greater Boston area." pp. 6824-26
Sen. Proxmire expressed the hope that the agricultural appropriations conference committee "will accede to the Senate figure for the school milk program." p. 16834
10. FARM PRICES; INFLATION. Sen. Curtis criticized Secretary Freeman's alleged statement to congressional candidates at a closed briefing "that they must overcome deep resentment against the administration in farm areas and should stay away from discussion of inflation," and inserted an editorial on this subject. pp. 16893-94
Sen. McGovern inserted newspaper article excerpts on "milk, bread, butter and egg price increases" and stated "if farm prices are allowed to remain inequitably low...the production of food items will decline, supply will become short, and scarcities will cause skyrocketing food prices." pp. 16827-28
11. NATIONAL PARK. Sen. Kuchel spoke in support of his bill to establish a Redwood National Park in Calif.. pp. 16904-5
12. BALANCE-OF-PAYMENTS. Received from the Attorney General a report "on exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States." p. 16819

PAYMENT OF INSTALLMENTS ON FARMERS HOME ADMINISTRATION INSURED LOANS

JULY 29, 1966.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany H.R. 15510]

The Committee on Agriculture, to whom was referred the bill (H.R. 15510) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary to hold prepayments made to the FHA by insured loan borrowers and transmit them to holders of the notes in installments as they become due. This would make the law under which the Farmers Home Administration operates conform to the law under which the Federal Housing Administration operates pursuant to the provisions of paragraph 517(j)(1) of the Housing Act of 1949, as amended.

NEED FOR THE LEGISLATION

Under the Consolidated Farmers Home Administration Act, farmers are entitled to make prepayments on the installments due on their loans. Where the cumulative amount of the prepayments exceeds the amount of the installment due on the note, the annual or other periodic payment need not be made.

Where these prepayments are on an insured loan (one which has been purchased from Farmers Home Administration by a private source of credit but for which FHA provides collection and other serv-

ices) the law requires that the prepayment be remitted to the note holder on the due date of the next annual installment. This means that the holder of the note may not receive another payment for several years and that he will lose the interest which would have been payable during those intervening years. The financing of FHA loans by private credit sources would be more attractive if the holders were able to calculate with certainty the amount of repayment and the amount of interest they will receive year to year.

Therefore, this amendment which will make the law relating to the Farmers Home Administration conform to the law under which the Federal Housing Administration operates in making insured loans, will make the farm loan more effective and more attractive to private investors.

Cost

There would be little, if any, additional cost to the Government as the result of this legislation since it is assumed that the Farmers Home Administration would make use of the money which might be retained in its revolving funds in such a manner as to offset the annual interest payments to note holders.

DEPARTMENTAL APPROVAL

The following is the letter from the Acting Secretary of Agriculture recommending enactment of H.R. 15510 and explaining in some further detail the need for the legislation.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 7, 1966.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to the informal request of your credit subcommittee for a report on H.R. 15510, a bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due. H.R. 15510 would amend paragraph (2) of subsection 309(f) of the Consolidated Farmers Home Administration Act of 1961 by striking out the words "the due date of the annual installment" and inserting in lieu thereof the word "due." The proposed amendment would conform the language of paragraph 309(f)(2) of the act to the corresponding provision in paragraph 517(j)(1) of the Housing Act of 1949, as amended.

We recommend enactment of the bill.

The Secretary as collection agent is granted authority to hold prepayments received at frequent intervals, but is required to transmit them to the noteholder annually on the due date of the annual installment. Final payments are remitted immediately. The proposed change would permit the Secretary to retain all prepayments in the insurance fund, and, at his option, to remit to the holder only the regular installments as they become due. This amendment is needed because under the terms of the insured note the borrower need not meet the scheduled annual installment if the cumulative amount of his prepayments exceed the cumulative amount of the matured

installments on his note. In many instances, cumulative prepayments are sufficient to preclude any payment being required on the note for several years. Many investors object strenuously when they do not receive at least the amount of accrued interest on each installment due date. Some also object because under present regulations the amount of annual earnings on their investment cannot be predicted with any certainty. If a borrower makes a large prepayment, this reduces the lender's interest earnings in future years. The proposed amendment would make it possible to advise investors of the exact amount of interest and principal they will receive each year except for final payments in full. The proposed amendment would make these insured loans more attractive to investors because they would receive only the regular annual installments as they fall due, regardless of the aggregate amount of prepayments except final payments.

Prepayments not needed to meet installments when due would be retained in the insurance fund. The fund would bear the burden of paying interest accrued from the date of the prepayment to the date of transmittal to the holder. However, such interest cost would be minimized to the extent that prepayments held in the fund would be used to pay off borrowings from the Treasury, with the accompanying savings of interest on such borrowings, or to the extent that they would be invested in interest bearing obligations of the United States.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

JOHN A. SCHNITTKER,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

* * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and

denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed \$10,000,000 at any one time;

(2) to pay the interest to which the holder of the note is entitled on loans heretofore or hereafter insured accruing between the date of any prepayments made by the borrower and the date of transmittal of any such prepayments to the lender. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until [the due date of the annual installment] *due*;

(3) to pay to the holder of the notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

(4) to purchase notes in accordance with agreements previously entered into; and

(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections and other expenses and advances authorized in section 335(a) in connection with insured loans.

Union Calendar No. 815

89TH CONGRESS
2D SESSION

H. R. 15510

[Report No. 1785]

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1966

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

JULY 29, 1966

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That paragraph (2) of subsection 309 (f) of the Consolidated
4 Farmers Home Administration Act of 1961 is amended by
5 striking out the words “the due date of the annual install-
6 *ment” and inserting in lieu thereof the word “due”.*

Union Calendar No. 815

89TH CONGRESS
2^D Session

H. R. 15510

[Report No. 1785]

A BILL

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

By Mr. Poage

JUNE 7, 1966

Referred to the Committee on Agriculture

JULY 29, 1966

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

12. RECLAMATION. Passed as reported H. R. 9976, to provide compensation to owners of private land utilized for ditches or canals in connection with any reclamation projects. pp. 18454-5
13. LOANS. Passed over without prejudice H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and transmit them to the holders of the notes in installments as they become due. p. 18445
14. FARM CREDIT. Considered and passed over without prejudice H. J. Res. 1217, to delete the interest rate limitation on debentures issued by Federal intermediate credit banks. pp. 18447-9
15. FLOOD RELIEF. Received from the President a report from HUD, "Insurance and Other Programs for Financial Assistance to Flood Victims." pp. 18455-6
16. INFORMATION. Passed under suspension of the rules H. R. 16897, to provide for the collection, compilation, critical evaluation, publication, and sale of standard reference data. pp. 18471-5
17. PERSONNEL. Passed under suspension of the rules H. R. 16114, to correct inequities with respect to the determination of basic compensation of employees of the Federal Government for purposes of certain employment benefits. pp. 18475-80
18. CONSERVATION. Rep. Hansen, Iowa, commended rural conservation efforts and inserted an article, "Conservation District Activities Vital to Nation's Economy and Welfare." pp. 18530-1
19. SUGAR. Rep. Hathaway expressed confidence that Maine's new sugar industry will thrive without harming refineries elsewhere. p. 18530
20. INFLATION. Rep. Arends inserted a letter which cites government spending as the basic cause of inflation. pp. 18492-3
Rep. Gerald R. Ford commended and inserted an editorial which names government spending and a "weak" and "perverse" economic policy as causes of inflation. p. 18495

ITEMS IN APPENDIX

21. FOREIGN AID. Sen. Cannon inserted an address, "Challenges and Opportunities At Home and Abroad", discussing U. S. foreign assistance programs. pp. A4285-8
Rep. Fraser inserted David Bell's article, "The Quality of Aid." pp. A4300-2
22. PUBLIC DEBT. Rep. Ullman inserted an article, "Debt Interest Now \$12 Billion." pp. A4289-90
23. POVERTY. Extension of remarks of Rep. O'Neal, Ga., criticizing the poverty program and inserting an article, "Antipoverty Program 'Gigantic Bust' In Mismanagement, Scandal High Pay." pp. A4290-1
24. AGRICULTURE. Extension of remarks of Rep. Talcott stating that "Without a prosperous agricultural industry, many allied--and dependent--industries will wither." p. A4298

25. PESTICIDES. Rep. Gathings inserted an address defending the use of chemicals to protect crops and stating that the facts "run counter to the popular misconception that the farmer is a despoiler of nature." p. A4299
26. FOOD. Rep. McVicker inserted an article, "The Food Future Looks Bright," p. A4303
27. WATER. Extension of remarks of Rep. Ryan urging the organization of an International Conference on Water for Peace which would help to stimulate planning for water resource development. pp. A4306-7

BILLS INTRODUCED

28. PERSONNEL. H. R. 17031 by Rep. Fogarty, to correct inequities with respect to the determination of basic compensation of employees of the Federal Government for purposes of certain employment benefits; to Post Office and Civil Service Committee.
H. R. 17035 by Rep. Pepper, to provide an equitable system for fixing and adjusting the rates of compensation of wage board employees; to Post Office and Civil Service Committee. Remarks of author pp. 18525-6
H. R. 17066 by Rep. Beckworth, to establish a uniform policy in the promotion of civilian personnel in the departments and agencies of the Government of the United States and of the government of the District of Columbia; to Post Office and Civil Service Committee.
H. J. Res. 1271 by Rep. Pepper, to provide for the annual observance of National Civil Service week; to Judiciary Committee. Remarks of author p. 18526
29. FORESTS. H. R. 17049 by Rep. Johnson of Calif., H. R. 17050 by Rep. Edwards of Calif., H. R. 17051 by Rep. McFall, H. R. 17052 by Rep. Leggett, H. R. 17053 by Rep. Hagen of Calif. and H. R. 17054 by Rep. Sisk, to establish certain policies with respect to certain use permits for national forest lands; to Agriculture Committee.
30. WATER POLLUTION. H. R. 17067 by Rep. O'Neill of Mass., to amend the Federal Water Pollution Control Act in order to improve and make more effective certain programs pursuant to such act; to Public Works Committee.

PRINTED HEARINGS RECEIVED BY THIS OFFICE

31. EDUCATION. S. 3047 and H. R. 14644, Higher Education Amendments of 1966. S. Labor and Public Welfare Committee.
32. DATA PROCESSING. Government electronic data processing systems. H. Post Office and Civil Service.
33. MANPOWER. H. R. 14690, to amend the Manpower Development and Training Act of 1962. H. Education and Labor.
34. RESEARCH. S. 2282, ecological research and surveys. S. Interior and Insular Affairs Committee.
35. RURAL AMERICA. H. R. 12466 and S. 2934, community development districts. H. Agriculture Committee.

SEC. 5. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

(Mr. HALEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HALEY. Mr. Speaker, the purpose of this bill is to provide for the distribution of a \$62,000 award among the Duwamish Indians of Washington. The Indian Claims Commission awarded the Duwamish Indians \$62,000 as an additional payment for land they ceded to the United States by the treaty of 1855. Attorney fees and expenses totaling \$7,765.77 have been deducted leaving a balance of \$54,234.23 plus 4 percent interest.

The Duwamish Tribe has no reservation or tribal assets and only a loosely knit tribal organization. Some of them have affiliated with other western Washington tribes and participate in their programs. This award should be distributed on a per capita basis. The question is: Who are the Duwamish and how many are there?

This bill authorizes the Secretary of the Interior to prepare a roll of all descendants of members of the Duwamish Tribe as it existed in 1855. A roll of sorts, prepared in 1919, is on file at the Western Washington Indian Agency. The Portland area office advises that from 900 to 1,200 will probably apply for membership on a new roll in order to qualify for a per capita share. There is presently no way of knowing how many will be able to prove eligibility. The area office believes \$1,000 will be sufficient to cover the cost of preparing a new roll. No additional personnel will be required to work on the roll. Most of the \$1,000 will be used for certified mail, duplication supplies, application forms, and so forth. At an earlier meeting of our committee our chairman, expressed concern over the possibility of using most of the \$54,000 for preparing the roll. We admonished the Commissioner of Indian Affairs to keep his rollmaking expenses at a minimum.

Perhaps some of us will remember that during the subcommittee hearings, the gentleman from Oklahoma [Mr. EDMONDSON] suggested that shares less than \$5, if any, should be put in the Indian revolving loan fund rather than to escheat into the U.S. Treasury as is provided in section 3. It has also been suggested that a nationwide scholarship fund from these and other escheated funds should be created and supervised by the Bureau of Indian Affairs. Another idea would be to have the State of Washington supervise the portion of the fund accumulated from these and other shares that may be forthcoming as other judgments are distributed.

If we wish to establish a policy for disposing of per capita shares less than \$5 an amendment will be necessary. No such an amendment was recommended in the subcommittee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT OF SEPTEMBER 2, 1964

The Clerk called the bill (H.R. 9976) to amend the Act of September 2, 1964.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

FARMERS HOME ADMINISTRATION INSURED LOANS

The Clerk called the bill (H.R. 15510) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMPENSATION FOR CERTAIN SERVICE-CONNECTED DEATHS

The Clerk called the bill (H.R. 5852) to amend title 38 of the United States Code with respect to the basis on which certain dependency and indemnity compensation will be computed.

There being no objection, the Clerk read the bill, as follows:

H.R. 5852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (d) of section 462 of title 38, United States Code, is amended by striking out "or before last discharge or release from active duty under conditions other than dishonorable" and inserting in lieu thereof "or in the case of a veteran who did not die in the active military, naval, or air service if any subsequent discharge or release from active duty was under conditions other than dishonorable".

SEC. 2. The amendment made by this Act shall take effect on the first day of the second calendar month after the date of enactment of this Act.

With the following committee amendment:

On page 1, after line 4, insert the following: "was so serving in such rank within one hundred and twenty days before death in the active military, naval, or air service".

Beginning on page 1, line 9, after the quotation marks, strike out "or in the case of a veteran who did not die in the active military, naval, or air service if".

The committee amendments were agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, Public Law 881 of the 84th Congress, effective January 1, 1957, authorized the payment of dependency and indemnity compensation to widows for the service-

connected deaths of their husbands. The compensation is now set at \$120 a month plus 12 percent of the base pay of the deceased serviceman.

When the rates of pay for members of the Armed Forces are raised there is a corresponding upward adjustment in the rates of dependency and indemnity compensation.

Generally speaking, the compensation is based on the rank held on January 1, 1957, or on the date of death—whichever is later—where the veteran died in service. With respect to a person who did not die in service, base pay is determined as of January 1, 1957, or date of death—whichever is later—for the rank and years of service of the veteran at time of his last discharge or release under conditions other than dishonorable. However, if a veteran has satisfactorily served on active duty for a period of 6 months or more in a higher rank, and was serving in such higher rank 120 days before death in the service, or before discharge or release, and is so certified by the military department concerned, the base pay of the higher rank may be used.

This bill, as amended, would eliminate the requirement with respect to the 120-day provision of serving in a higher rank. Thus, as an example, if the man had served satisfactorily for 6 months in the rank of lieutenant colonel during a period of war but later reverted to the position of major his widow would be eligible for compensation at the rate of pay for that of lieutenant colonel and this would apply both to individuals who died in the service and those who did not die in the service.

While the Veterans' Administration is unable to estimate the cost of this proposal, it is believed to be small and the agency favors the bill.

(Mr. ADAIR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ADAIR. Mr. Speaker, I rise in support of H.R. 5852.

This measure proposes to liberalize requirements used in computing basic active service pay for purposes of determining the rate of dependency and indemnity compensation payable for service-connected deaths.

Under existing law, dependency and indemnity compensation is awarded to widows of those veterans who died of service-connected causes. The compensation is payable at the rate of \$120 per month plus 12 percent of the base pay of the deceased veteran. Base pay is determined to be the amount presently payable for the rank the veteran held at death or separation. However, if a veteran has satisfactorily served on active duty in a higher rank for a period of 6 months and was serving in such higher rank within 120 days prior to death or separation, the base pay of the higher rank may be used.

For example, during a period of war a man may have been commissioned as an officer. However, at the end of the hostilities this person could have reverted to the highest noncommissioned rank. Should this man die or leave the service within 120 days after reverting to the

lower rank, his base pay would be that of the higher rank. However, if he were to serve longer than 120 days in the lower rank, his base pay must be that of the lower rank.

H.R. 5852 would liberalize the requirements governing the computation of base pay by eliminating the 120-day provision following service in a higher rank. This would apply in the determination of compensation in the cases of both in-service deaths and out-of-service deaths.

Mr. Speaker, this bill eliminates an unmerited and unwarranted requirement on compensation for the widow of the service-connected veteran. I urge its approval.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND TRANSFER TO PINELLAS COUNTY, FLA.

The Clerk called the bill (H.R. 12352) authorizing the Administrator of Veterans' Affairs to convey certain property to Pinellas County, Fla.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to ask why this could not be done in the normal channels established for the distribution of surplus properties; that is, through the General Services Administration?

Mr. HALEY. Mr. Speaker, if the gentleman will yield, would the gentleman repeat his question?

Mr. HALL. Yes, Mr. Speaker. This is, I presume, from the Bay Pines, Fla., Veterans' Administration facility.

Mr. Speaker, I understand that some of this land has been declared surplus, some of the acreage that was originally granted the U.S. Veterans' Administration from there, and if it is to be used by Pinellas County, for park and other recreational purposes for war veterans, it is given priority under the plan of the Surplus Property Division of the General Services Administration. It has been stated that it would be designated for this purpose.

My question, then, is why is this land grant of declared surplus property not made through the usual channels of the General Services Administration rather than the legislative process such as under the Consent Calendar?

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am glad to yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, in response to the inquiry of the gentleman from Missouri, let me state that originally this land was given to the Veterans' Administration by the county of Pinellas, 800-some-odd acres of land. When it was declared surplus, of course, the GSA, under its usual procedure, recommended the sale of the land to the highest and best bidder.

Mr. Speaker, at the time of the conveyance of this land, the county of Pinellas very well could have written into the bill of acceptance, so to speak, a reverter clause. They did not do it.

Mr. Speaker, this is designed merely to give back to Pinellas County land for which it paid, land that is now surplus, and it will be used there, as the gentleman from Missouri [Mr. HALL] suggests, as a park and recreational facilities, as well as educational facilities, and so forth.

Mr. HALL. Mr. Speaker, can the gentleman from Florida assure me that it will not be used like some of our urban renewal land that has reverted to public use, being procured for sale to private enterprises, and building developers, or contractors, but it will in fact be used for the war memorial park?

Mr. HALEY. I have that assurance, Mr. Speaker, from the authorities of the Pinellas County commissioners.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am glad to yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, upon that point, I think the gentleman is aware that there are safeguards written into the bill to assure that the park will be used for public purposes and not in a way to disturb the veterans in the nearby veterans' hospital.

Mr. HALEY. Mr. Speaker, will the gentleman yield further?

Mr. HALL. I yield.

Mr. HALEY. Mr. Speaker, may I say to the gentleman from Missouri that the establishment of this park will in nowise deprive the veterans of the use of it. As a matter of fact, it will be a facility that the veterans' hospital will use at no cost to the Veterans' Administration.

Mr. HALL. Mr. Speaker, with the assurances of both these gentlemen, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

H.R. 12352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the provisions of section 2 of this Act, the Administrator of Veterans' Affairs shall convey by quitclaim deed, without consideration, to the county of Pinellas, all right, title, and interest of the United States in and to a tract of land, containing approximately one hundred and forty-five acres of upland and two hundred and twenty-five acres of submerged land, more or less, which was heretofore conveyed by such county to the United States without consideration. Said property has been declared to be in excess of the Veterans' Administration needs and surplus to all Federal needs. The exact legal description of the land to be conveyed shall be as has been determined by the Administrator of Veterans' Affairs to be in excess of need and in the event a further survey is required in order to determine such legal description, the county of Pinellas shall bear the expense thereof.

SEC. 2. Any deed of conveyance made pursuant to this Act shall—

(a) provide that the land conveyed shall be used for any or all of the following purposes; namely, park, recreational, health, and education, and in a manner that will not, in the judgment of the Administrator of Veterans' Affairs, or his designate, interfere with the care and treatment of patients in the Veterans' Administration Center, Bay Pines, Florida.

SEC. 3. Should a park be established pur-

suant to this Act, it shall be known as the "War Veterans' Memorial Park".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, subject to the provisions of section 2 of this Act, the Administrator of General Services shall convey by quitclaim deed, without monetary consideration, to the county of Pinellas, Florida, all right, title, and interest of the United States in and to a tract of land, containing approximately one hundred and forty-five acres of upland and two hundred and twenty-five acres of submerged land, more or less, which was heretofore conveyed to the United States without consideration, and which has been determined to be in excess of the needs of the Veterans' Administration and surplus to all Federal needs. In the event a further survey is required in order to determine the legal description of such tract of land, such county of Pinellas shall bear the expense thereof.

"SEC. 2) (a) No conveyance shall be made under the provisions of this Act unless assurances satisfactory to the Administrator of Veterans' Affairs are received from the county of Pinellas, Florida, that—

"(1) a suitable fence will be erected without cost to the United States between any land conveyed pursuant to this Act and adjacent real property retained by the United States; and

"(2) such county of Pinellas will provide to the satisfaction of and without cost to the Veterans' Administration an incinerator and a sewage disposal plant (or equivalent sewage treatment) on such adjacent real property retained by the United States.

"(b) Any deed of conveyance made under this Act shall—

"(1) provide that title to the land covered by such conveyance shall revert to the United States if such land is used (A) for other than park, recreational, health, or educational purposes, or (B) in a manner that, in the judgment of the Administrator of Veterans' Affairs, or his designee, interferes with the care and treatment of patients in the Veterans' Administration Center, Bay Pines, Florida, or otherwise with the operation of such center;

"(2) specifically reserve from such conveyance property rights in and easement rights to a drainage ditch and a sewer line which traverse such land; and

"(3) contain such additional terms, conditions, reservations, easements, and restrictions as may be determined by the Administrator of General Services to be necessary to protect the interest of the United States.

"SEC. 3. If a park is established with any land conveyed pursuant to this Act, such park shall be known as the 'War Veterans' Memorial Park.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the conveyance of certain property to Pinellas County, Florida."

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, the bill proposes to authorize the Administrator of General Services to transfer to the county of Pinellas, Fla., without monetary consideration for park, recreational, health, or educational purposes, a tract of land of approximately 370 acres which is now a portion of the Veterans' Administration Center.

DIGEST of Congressional Proceedings

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HIGHLIGHTS: House received conference report on labor standards bill. House passed bill to authorize USDA to hold prepayments on FHA loans.

HOUSE - September 2

1. LOANS; INTEREST RATES. Rep. Patman spoke in favor of H. R. 14026, his bill to provide an interest-rate ceiling on time deposits. pp. 20962-5
2. CHILD NUTRITION. Rep. Stratton inserted and commended an article favoring the child nutrition bill. p. 20968

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3. ~~LOANS; INTEREST RATES.~~ Passed without amendment H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and to transmit them to the holder of the note in installments as they become due. p. 20812
Passed without amendment S. J. Res. 178, to delete the interest-rate limitation on debentures issued by Federal intermediate credit banks. pp. 20812-3
Rep. Patman and others discussed his interest-rate bill, H. R. 14026. pp. 20809, 20860-1, 20866-71
Rep. Findley recommended various steps to aid financing for housing. p. 20863
Rep. Widnall criticized the participation sales program. pp. 20864-5
4. HIDE EXPORTS. Rep. Edmondson criticized export controls on cattle hides. p. 20811
5. RECLAMATION. Agreed to the conference report on S. 254, to authorize the Tualatin reclamation project, Oreg. pp. 20811-12
6. SUPERGRADES. Conferees were appointed on S. 2393, to authorize additional super-grade positions. Senate conferees have been appointed. p. 20812
7. CONTRACTS. Discussed and, at Rep. Pelly's request, passed over H. R. 4497, to require certain contractors with the U. S. to give an affidavit with respect to payment of subcontractors. pp. 20822-3
8. LABOR STANDARDS. Received the conference report on H. R. 13712, to amend the Fair Labor Standards Act so as to increase the minimum wage, add various groups including agricultural workers, strengthen overtime provisions, etc. (H. Rept. 2004). pp. 20825-31
9. RIVER BASIN. Passed under suspension of the rules H. R. 13508, to direct the Interior Department to cooperate with N. Y. and N. J. on a program to develop, preserve, and restore the resources of the Hudson River. pp. 20846-54
10. REDWOOD PARK. Received from the Interior Department a proposed bill to preserve the trees in the proposed Redwood National Park until Congress has had an opportunity to determine whether the park should be established. To Interior and Insular Affairs Committee. p. 20880
11. ALASKA LANDS. Passed without amendment S. 2366, to make less restrictive the act dealing with sale and exchange of the 122,000 acres of land which were granted to Alaska for the State Agricultural College and School of Mines. This bill will now be sent to the President. pp. 20813-4
12. WATER RESOURCES. Discussed and, at Rep. Gross' request, passed over S. 2287, to require the Interior Department to investigate the water resources of the Delmarva Peninsula. pp. 20817-8
13. LEGISLATIVE PROGRAM. Rep. Patman announced that his interest-rate bill will be considered today (p. 20809). Rep. Boggs announced that the labor standards bill will also be considered today (p. 20810).

am sure all of you join with me in wishing him a speedy recovery.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I shall be very happy to yield to the distinguished minority whip.

Mr. ARENDS. Mr. Speaker, certainly all of us are indeed sorry to learn of this sudden illness of the gentleman from Oklahoma [Mr. ALBERT], our beloved majority leader. And, Mr. Speaker, along with Members on both sides of the aisle, we all pray for CARL's speedy recovery and may God watch and care over him.

Mr. BOGGS. Mr. Speaker, I thank the distinguished minority whip.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I am happy to yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I would like to request of the gentleman from Louisiana [Mr. Boggs] that he read the passage that he is asking unanimous consent to be inserted in the RECORD. It is evidently a very short one.

Mr. Speaker, all of us are vitally interested in the general health and well-being of the gentleman from Oklahoma and join in expressing our deep interest in the gentleman's well-being and immediate and complete recovery.

Mr. Speaker, only last week the gentleman from Oklahoma and I discussed this possibility, based upon his daughter's entering college and based upon the Albert family moving into smaller quarters, as well as the fact that the distinguished majority leader expressed to me the fact that he was tired.

Mr. Speaker, as one of the professionals on the floor of the House, I would be very happy to hear the release read in full.

Mr. BOGGS. I shall be glad to read to the Members of the House the full release:

House Majority Leader CARL ALBERT entered Bethesda Naval Hospital for 2 to 3 weeks of rest following a minor coronary occlusion without complications. Mr. ALBERT had some minor chest pain following a hectic 8-month legislative session and a weekend foray of packing and yard work. Mr. ALBERT's physician recommended hospitalization as a preventive measure and ordered a regimen of complete rest over the next several weeks.

THE HONORABLE CARL ALBERT

(Mr. EDMONDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, I am sure that all Oklahomans will be joined by all Americans in wishing a speedy recovery for our beloved majority leader, the gentleman from Oklahoma, CARL ALBERT, who entered Bethesda Naval Hospital this morning.

The physicians inform us that our colleague is resting well and has been hospitalized largely as a precautionary measure, to assure complete rest.

The arduous and demanding duties of majority leader constitute a heavy burden at all times, and during the closing

stages of a session of Congress that burden is unusually heavy.

I am sure that all who sit in this body will agree that no one has worked harder, longer, or more conscientiously during the 89th Congress than our majority leader, who has been a decisive figure in the historic legislative record of the 89th.

The prayers and best wishes of all of us will be with our majority leader as he rests at Bethesda, and we hope he will enjoy a complete and early recovery.

EXPORT QUOTAS COSTING UNITED STATES ITS PLACE IN EUROPEAN HIDE MARKET

(Mr. EDMONDSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. EDMONDSON. Mr. Speaker, the continued imposition of the Commerce Department's unwise quota system on the export of cattle hides is playing a big part in the American hide industry's loss of its share of the valuable European market.

This alarming situation is spelled out in a survey of the European market reported in the September 1 issue of Footwear News. The survey was prompted by the fact that American export quotas went unused in the second control period, which ended August 31.

Footwear News reports the European tanners originally sought sources of hides other than American for "reasons of convenience," and that the American imposition of the export quota system has made these Europeans feel it is to their advantage to solidify these other market connections, rather than return to the American suppliers—despite the fact that the quotas have forced American prices down.

This same issue of Footwear News reports a 2.4-percent increase in department store prices over the 12-month period ending in July 1966—the biggest such increase since the year ending July 1951—and that shoe prices led the way in this big increase. Men's and boys' shoes showed a price increase of 8.4 percent during this period, and women's and children's shoes increased 7 percent. These were the largest increases on any items.

Mr. Speaker, at the same time domestic hide prices remain unnecessarily low, and the American cattle producer is losing millions of dollars because of this artificial market situation.

We have here a situation where everybody is the loser. The cattleman's herd is worth less because hide prices are down, the consumer is paying more for his shoes despite the fact that hide prices are down, the exporter is losing his foreign market because of uncertainty brought on by the quota system, and the American economy has lost an opportunity to bring dollars home.

Mr. Speaker, these are four good reasons the Department of Commerce should rescind the hide export quota system. If there is any convincing and realistic reason for keeping these quotas, I have yet to hear it.

THE TUALATIN FEDERAL RECLAMATION PROJECT, OREGON

Mr. O'BRIEN. Mr. Speaker, I call up the conference report on the bill (S. 254) to authorize the Secretary of the Interior to construct, operate, and maintain the Tualatin Federal reclamation project, Oregon, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ARENDS. Mr. Speaker, reserving the right to object—and I shall not object—I wonder if the gentleman from New York has advised the gentleman from Pennsylvania [Mr. SAYLOR] that he planned to call up this conference report this morning?

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. O'BRIEN. No, I have not, because this responsibility came my way rather suddenly. But I would say to the gentleman from Illinois that the bill which we bring back is identical to the legislation already passed by the House of Representatives.

Mr. ARENDS. The gentleman from New York feels certain that the gentleman from Pennsylvania [Mr. SAYLOR] is in agreement with this conference report?

Mr. O'BRIEN. The gentleman from Pennsylvania signed it.

Mr. ARENDS. He signed it?

Mr. O'BRIEN. Yes, sir.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 1, 1966.)

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, are all amendments or changes in this bill germane to the bill; is this correct?

Mr. O'BRIEN. That is my understanding; yes, that they are germane. The bill, as I say, is identical with the bill which we passed in the House of Representatives.

Mr. GROSS. Mr. Speaker, I thank the gentleman from New York.

(Mr. O'BRIEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. O'BRIEN. Mr. Speaker, the conference report which we bring back for House consideration today is identical to the legislation already approved by the House. The conference committee agreed upon the language of the House amendment.

There is one matter involved in this legislation which the conference committee considered at some length and

which warrants a brief explanation in connection with the consideration of the conference report. The Senate-passed bill included "water quality control" as a purpose in the Tualatin project which carried with it a nonreimbursable allocation of \$2,020,800 to such purpose. When this legislation was considered in our committee, "water quality control" was eliminated as a purpose in the project and provision was made for allocating the \$2,020,800 among the other project purposes. In its consideration of this matter, the conference committee requested additional information from the Department of the Interior. Included in the information furnished was a remainder that the Federal Water Pollution Control Administration is now in the Department of the Interior and that the Department now has the responsibility for making the findings with respect to water quality control allocations and the reimbursability thereof. It is further stated in the letter that the "policy questions and procedures for evaluation of water quality control benefits and for determining the reimbursability of costs allocated to that function are now being studied by a committee of the Water Resources Council."

In view of the fact that the reimbursability of costs allocated to "water quality control" is presently being restudied and the fact that, in the past, there have been inconsistencies in the handling of "water quality control" with respect to different projects, the conference committee agreed to leave out "water quality control" as a project purpose on a nonreimbursable basis at this time. There is no objection to project operation whereby water is released for "water quality control" if the cost thereof is made reimbursable by the beneficiaries of such operation, and the Secretary already has authority for operation on this basis.

The elimination of "water quality control" as a purpose in the Tualatin project does not change the physical plan of development. The difference is only in the project operating plan. Thus, the action of the conference committee does not foreclose later inclusion of this function on a nonreimbursable basis when an equitable and consistent policy with respect to inclusion of "water quality control" as a purpose in water resources development projects has been established. The Tualatin project can be given the benefits of such policy by amending legislation.

Mr. Speaker, S. 254 will authorize a relatively small, but a very meritorious and much-needed Federal reclamation project in the State of Oregon. The project, estimated to cost about \$21 million, is a multiple-purpose development providing for the irrigation of approximately 17,000 acres, municipal and industrial water supply to several towns in the project area, recreation opportunities and fish and wildlife conservation.

I urge the adoption of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TO AUTHORIZE ADDITIONAL GS-16, GS-17, AND GS-18 POSITIONS

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2393) to authorize additional GS-16, GS-17, and GS-18 positions for use in agencies or functions created or substantially expanded after June 30, 1965, with House amendments thereto, insist upon the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none and appoints the following conferees: Messrs. DULSKI, HENDERSON, and GROSS.

CONSENT CALENDAR

The SPEAKER. This is the day set for the call of the Consent Calendar.

The Clerk will call the first bill on the Consent Calendar.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

The Clerk called the Senate joint resolution (S.J. Res. 108) to amend the joint resolution providing for membership of the United States in the Pan American Institute of Geography and History and to authorize appropriations therefor.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this Senate joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. HALL]?

There was no objection.

PAYMENT OF INSTALLMENTS ON FARMERS HOME ADMINISTRATION INSURED LOANS

The Clerk called the bill (H.R. 15510) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, and I shall not object, I simply want to state that in the interim the gentleman from Texas [Mr. POAGE], vice chairman of the Committee on Agriculture, has explained the intent of this bill to authorize the Farmers Home Administration to pay off, but not necessarily use funds collected as prepayments, according to contracts with those to whom they discount these notes or debentures.

Based on that, plus the letter from the director of the Farmers Home Administration in Missouri which simply states that although investors would object strenuously when they do not receive at least the amount of accrued interest on each installment date, the committee does feel that the note-holder might not receive payment for several years and lose his accrued interest in any one intervening year in cases of prepayment. Those who are purchasing the discounted notes understand it.

This relieves the question I had in my mind the last time this was put over without prejudice on the Consent Calendar, as far as undue usage of funds were concerned.

Therefore, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

H.R. 15510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of subsection 309(f) of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out the words "the due date of the annual installment" and inserting in lieu thereof the word "due".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DELETE INTEREST RATE LIMITATION ON DEBENTURES, ISSUED BY FEDERAL INTERMEDIATE CREDIT BANKS

The Clerk called the House Joint Resolution (H.J. Res. 1217) to delete the interest rate limitation on debentures issued by Federal intermediate credit banks.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. POAGE. Mr. Speaker, reserving the right to object, I do so in order to point out just what is in this bill and the necessity for passing it.

Mr. Speaker, I do not think this legislation was understood 2 weeks ago. I think that it probably is not understood now because when you bring in a bill that allows someone to charge a higher interest rate than he could have charged you in the past, you are immediately suspected of trying to raise, rather than reduce interest rates.

But this involves the whole credit structure of the intermediate credit banks. Those banks loaned more than \$5 billion last year. If this bill is not passed and if they are not able to sell their debentures on the 19th day of this month, they will not have the funds necessary to pay the debentures that come due in October. That is about \$300 million which will come due in October.

89TH CONGRESS
2D SESSION

H. R. 15510

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 7, 1966

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That paragraph (2) of subsection 309 (f) of the Consolidated
4 Farmers Home Administration Act of 1961 is amended by
5 striking out the words "the due date of the annual install-
6 ment" and inserting in lieu thereof the word "due".

Passed the House of Representatives September 6, 1966.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
2D Session

H. R. 15510

AN ACT

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

SEPTEMBER 7, 1966

Read twice and referred to the Committee on
Agriculture and Forestry

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued Sept. 22, 1966
For actions of Sept. 21, 1966
89th-2nd; No. 160

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HIGHLIGHTS: House received conference report on child nutrition bill. Senate committee voted to report bills to authorize rural-renewal loans for recreation, revise Seed Act, and permit holding of prepayments of FHA loans. Sen. Jordan announced hearings on revised Aiken bill to prevent handlers from treating cooperatives unfairly. House agreed to conference report on bill to authorize additional supergrade positions. Rep. Callaway criticized USDA announcement of regulation change re withdrawal of certain inspection services.

SENATE

1. ~~LOANS; SEEDS.~~ The Agriculture and Forestry Committee voted to report (but did not actually report) ~~S. 688, to authorize rural-renewal loans for recreation and to non-profit organizations; H. R. 15662, to revise the Federal Seed Act; and H. R. 15510, to permit the Department to hold prepayments to the Farmers Home Administration on loans.~~ p. D900

2. COOPERATIVES. Sen. Aiken submitted an amendment which he intends to propose as a substitute for S. 109, to prevent handlers from treating cooperatives

unfairly. The amendment was printed in the Record. Sen. Jordan announced that hearings will be held Sept. 28. pp. 22632, 22633-4

3. BUILDINGS. Passed as reported H. R. 14019, to authorize additional appropriations for Government buildings in foreign countries. pp. 22562-4
4. MINERALS. Passed as reported S. 3485, to establish standards for determining whether a particular amendment is a common variety under the Common Varieties Act and therefore subject to leasing. pp. 22564-6
5. CHILD NUTRITION. Sen. Proxmire expressed satisfaction at legislative progress of the child nutrition bill. p. 22592
6. CONGRESSIONAL REORGANIZATION. The Special Committee on the Organization of Congress reported the proposed Legislative Reorganization Act of 1966 (S. Rept. 1629). Sen. Monroney said: "It enlarges the role of the General Accounting Office in making a greater variety of budgetary data--suitable for computer programming--available to all Members and by providing expert staff assistance in GAO to be on call by the standing committees to assist in modern program evaluation techniques. It provides for more frequent budget updating and more long-range projections of continuing programs. It requires an analysis of the budgetary consequences of new legislation by the legislative committees. It recommends a more open, output oriented appropriations review... It attempts to rationalize congressional scheduling by providing for an August recess period in the event the business of the session has not been concluded by the legal adjournment date of July 31." pp. 22656-8
7. SALT-WATER RESEARCH. Passed without amendment S. 3823, to authorize the Interior Department to participate in construction and operation of a large prototype desalting plant. pp. 22667-70
8. JOB CORPS. Sen. Dominick criticized administration of the Job Corps program. pp. 22670-4
9. FOREIGN AID. Passed without amendment S. J. Res. 194, to authorize the President to designate Oct. 31 of each year as National UNICEF Day. p. 22628
10. LEGISLATIVE PROGRAM. Sen. Mansfield stated his hope that the Labor-HEW appropriation bill will be reported today, in which event it is to be considered tomorrow, September 23; and that, if reported this week, the bill to establish a Department of Transportation, and the health and education bills, will be considered next week. p. 22620

HOUSE

11. SUPERGRADES. Agreed to the conference report on S. 2393, to authorize 300 additional positions at GS-16, 17, and 18. p. 22424
12. AWARDS. The Foreign Affairs Committee reported S. 2463, to grant the consent of the Congress to acceptance of certain gifts and decorations from foreign governments (H. Rept. 2052). p. 22559
13. CHILD NUTRITION. Received the conference report on S. 3467, the child nutrition bill (H. Rept. 2063). The conferees accepted the bill as passed by the house (for provisions see Digest 110) with the exception of House amendments

DIGEST of Congressional Proceedings

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WASHINGTON, D. C. 20250
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For actions of Sept. 22, 1966
89th-2nd; No. 161

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HIGHLIGHTS: Senate agreed to conference report on bill to authorize additional supergrade positions. Senate committee reported bills to revise Seed Act and authorize holding of prepayments on FHA loans. Senate committees voted to report poverty and Transportation Dept. bills. House subcommittee approved bill providing adjustment of Defense milk contracts when USDA orders prices raised. House committees voted to report packaging and labeling and disaster relief bills.

SENATE

1. SUPERGRADES. Agreed to the conference report on S. 2393, to authorize 300 additional positions at GS-16, 17, and 18. This bill will now be sent to the President. pp. 22693-4
2. LABOR-HEW APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 14745, which is to be debated Mon. (S. Rept. 1631). p. 22676

3. LOANS. The Agriculture and Forestry Committee reported without amendment H. R. 15510, to authorize the Department to hold prepayments made by insured-loan borrowers and transmit them to the holders of the notes in installments as they become due (S. Rept. 1633). p. 22676
Sen. Eastland commended the program for FHA loans and grants for water supply and waste disposal. p. 22707
4. SEED. The Agriculture and Forestry Committee reported with amendments H. R. 15662, to revise the Federal Seed Act (S. Rept. 1632). p. 22676
5. TAXATION. Sen. Proxmire claimed the proposed investment-credit suspension would take \$100 million annually out of the pockets of farmers. p. 22690
6. PERSONNEL; EXPENDITURES. Sen. Williams, Del., criticized "excessive" Federal employment and said the freeze at present levels is an "insult to the intelligence of ...taxpayers." pp. 22696-7
7. CHILD NUTRITION. Sen. Proxmire commended action on the child nutrition bill. p. 22720
8. CORN. Sen. Miller commended the work of the Corn Refiners Association, Inc. pp. 22725-6
9. TARIFFS. Sen. Smathers gave a situation report on Kennedy Round tariff negotiations. pp. 22727-31
10. SEA-GRANT COLLEGES. Conferees were appointed on H. R. 16559, to authorize sea-grant colleges. House conferees have been appointed. p. 22748
11. BUILDINGS. Received from GSA a proposed bill "to amend the Public Buildings Act"; to Public Works Committee. p. 22676
12. EXPOSITION. The Foreign Relations Committee voted to report (but did not actually report) H. R. 15098, to provide for U. S. participation in the HemisFair 1968 Exposition, to be held in San Antonio. pp. D907-8
13. TRANSPORTATION. The Government Operations Committee voted to report (but did not actually report) S. 3010, to create a Department of Transportation. p. D908
14. POVERTY. The Labor and Public Welfare Committee voted to report (but did not actually report) S. 3164, to amend the Economic Opportunity Act. As approved, the bill would authorize \$2.496 billion for the fiscal year 1967. p. D908
15. ADJOURNED until Mon., Sept. 26. p. 22748

HOUSE

16. MILK PRICES. A subcommittee of the Armed Services Committee approved for full committee action H. R. 17500, amended, to provide for price adjustments in contracts for procurement of milk by the Department of Defense. p. D909
17. PACKAGING AND LABELING. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 15440, amended, to prevent the use of unfair or deceptive methods of packaging or labeling of certain consumer

PREPAYMENTS—FARMERS HOME ADMINISTRATION INSURED LOANS

SEPTEMBER 22, 1966.—Ordered to be printed

Mr. TALMADGE, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany H.R. 15510]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 15510) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

This bill permits the Department of Agriculture, in servicing an insured loan, to hold amounts prepaid by the borrower and transmit them to the noteholder as they become due. Under existing law all prepayments must be transmitted to the noteholder not later than the first annual installment due date following their receipt.

The objective is to make the loans attractive to investors by providing for a constant predictable flow of payments. The interest accruing on any prepayment between the date it is received by the Department and the date it is transmitted to the noteholder is borne by the Government. However, this does not necessarily represent a loss to the Government since it has the use of the funds during that period.

The report of the Department of Agriculture recommending enactment and further explaining the bill is attached:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 7, 1966.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to the informal request of your credit subcommittee for a report on H.R. 15510, a bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due. H.R. 15510 would amend paragraph (2) of subsection 309(f) of the Consolidated Farmers Home Administration Act of 1961 by striking out the words "the due date of the annual installment" and inserting in lieu thereof the word "due." The proposed amendment would conform the language of paragraph 309(f)(2) of the act to the corresponding provision in paragraph 517(j)(1) of the Housing Act of 1949, as amended.

We recommend enactment of the bill.

The Secretary as collection agent is granted authority to hold prepayments received at frequent intervals, but is required to transmit them to the noteholder annually on the due date of the annual installment. Final payments are remitted immediately. The proposed change would permit the Secretary to retain all prepayments in the insurance fund, and, at his option, to remit to the holder only the regular installments as they become due. This amendment is needed because under the terms of the insured note the borrower need not meet the scheduled annual installment if the cumulative amount of his prepayments exceed the cumulative amount of the matured installments on his note. In many instances, cumulative prepayments are sufficient to preclude any payment being required on the note for several years. Many investors object strenuously when they do not receive at least the amount of accrued interest on each installment due date. Some also object because under present regulations the amount of annual earnings on their investment cannot be predicted with any certainty. If a borrower makes a large prepayment, this reduces the lender's interest earnings in future years. The proposed amendment would make it possible to advise investors of the exact amount of interest and principal they will receive each year except for final payments in full. The proposed amendment would make these insured loans more attractive to investors because they would receive only the regular annual installments as they fall due, regardless of the aggregate amount of prepayments except final payments.

Prepayments not needed to meet installments when due would be retained in the insurance fund. The fund would bear the burden of paying interest accrued from the date of the prepayment to the date of transmittal to the holder. However, such interest cost would be minimized to the extent that prepayments held in the fund would be used to pay off borrowings from the Treasury, with the accompanying savings of interest on such borrowings, or to the extent that they would be invested in interest-bearing obligations of the United States.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

JOHN A. SCHNITTKER,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

* * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary

with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed \$10,000,000 at any one time;

(2) to pay the interest to which the holder of the note is entitled on loans heretofore or hereafter insured accruing between the date of any prepayments made by the borrower and the date of transmittal of any such prepayments to the lender. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until [the due date of the annual installment] *due*;

(3) to pay to the holder of the notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

(4) to purchase notes in accordance with agreements previously entered into; and

(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections and other expenses and advances authorized in section 335(a) in connection with insured loans.

Calendar No. 1600

89TH CONGRESS
2^D SESSION

H. R. 15510

[Report No. 1633]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 7, 1966

Read twice and referred to the Committee on Agriculture and Forestry

SEPTEMBER 22, 1966

Reported by Mr. TALMADGE, without amendment

AN ACT

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That paragraph (2) of subsection 309 (f) of the Consolidated
4 Farmers Home Administration Act of 1961 is amended by
5 striking out the words “the due date of the annual install-
6 *ment” and inserting in lieu thereof the word “due”.*

Passed the House of Representatives September 6, 1966.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1600

89TH CONGRESS
2D SESSION

H. R. 15510

[Report No. 1633]

AN ACT

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

SEPTEMBER 7, 1966

Read twice and referred to the Committee on
Agriculture and Forestry

SEPTEMBER 22, 1966

Reported without amendment

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UNITED STATES DEPARTMENT OF AGRICULTURE
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HIGHLIGHTS: Conferees reported food-for-freedom bill. House debated poverty bill. House committee reported investment-tax bill, and Rep. Langen asked exemption of farmers. House committees reported packaging-labeling bill, continuing-appropriations measure, and analysis of CCC corn marketing. Senate passed bill to revise Federal Seed Act. Senate passed bill to permit prepayments of FHA loans.

HOUSE

1. **FOOD FOR FREEDOM.** Received the conference report on H. R. 14929, the food-for-freedom bill (H. Rept. 2075). The conferees changed the short title of the bill to "Food for Peace Act of 1966" instead of "Food for Freedom" as in the House version. However, this does not change the title of the basic legislation, which remains "Agricultural Trade Development and Assistance Act of 1954." pp. 22833-40

2. POVERTY. Began debate on H. R. 15111, to provide for continuation of the war on poverty. pp. 22803-33
3. TAXATION. The Ways and Means Committee reported with amendment H. R. 17607, to suspend the investment credit and the allowance of accelerated depreciation in the case of certain real property (H. Rept. 2087) (p. 22854). Rep. Langen recommended exemption of farmers from this bill (p. 22843).
4. TARIFF. Rep. Curtis inserted a "progress report" on Kennedy round tariff negotiations. pp. 22843-5
5. POLITICAL ACTIVITIES. Rep. Ashbrook gave answers to questions as to actions which Federal employees are permitted to take under the Hatch Political Activities Act. p. 22845
6. DEMONSTRATION CITIES; EDUCATION; WATER POLLUTION. The Rules Committee reported a resolution for consideration of S. 3708, the demonstration cities bill; H. R. 13161, to strengthen and improve education in elementary and secondary schools; and H. R. 16076, to improve and make more effective the Federal Water Pollution Control Act. p. 22854
7. PACKAGING; LABELING. The Interstate and Foreign Commerce Committee reported with amendment H. R. 15440, the fair packaging and labeling bill (H. Rept. 2076). p. 22854
8. BANKING. The Banking and Currency Committee reported with amendment H. R. 17899, to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loans associations, to increase the maximum amount of insured accounts or deposits, etc. (H. Rept. 2077). p. 22854
The Banking and Currency Committee reported S. 1556, to authorize the Federal Reserve Board to delegate certain of its functions (H. Rept. 2079). p. 22854
9. APPROPRIATIONS. The Appropriations Committee reported H. J. Res. 1308, making continuing appropriations for the fiscal year 1967 (H. Rept. 2078). p. 22854
10. CCC CORN. The Small Business Committee submitted a report, "The Effect of Corn Marketing by the Commodity Credit Corporation Upon Small Business" (H. Rept. 2082). p. 22854

SENATE

11. SEEDS. Passed as reported H. R. 15662, to revise the Federal Seed Act. p. 22858
12. LOANS. Passed without amendment H. R. 15510, to authorize the Secretary of Agriculture to hold prepayments made to the Department by insured loan borrowers on Farmers Home Administration loans and transmit them to the holders of the notes in installments. This bill will now be sent to the President. pp. 22858-9
13. LABOR-HEW APPROPRIATION BILL. Began debate on this bill, H. R. 14745. pp. 22857, 22889-902

board of trustees of Trinity College of Washington, D.C.; and

H.R. 688. Joint resolution to give effect to the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, and Cultural Character, approved at Beirut in 1948.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 11555. An act to provide a border highway along the United States bank of the Rio Grande River in connection with the settlement of the Chamizal boundary dispute between the United States and Mexico; to the Committee on Public Works.

H.R. 17195. An act to amend titles 10, 14, 32, and 37, United States Code, to strengthen the reserve components of the armed forces, and clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments:

S. 2138. A bill to consent to an agreement between the State of Minnesota and the Province of Manitoba, Canada, providing for an access highway to the Northwest Angle in the State of Minnesota, and to authorize the Secretary of Commerce to pay Minnesota's share of the cost of such highway (Rept. No. 1655); and

S. 3247. A bill to provide certain increases in annuities payable from the Foreign Service Retirement and Disability Fund, and for other purposes (Rept. No. 1656).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN (for Mr. MORRIS and Mr. ERVIN):

S. 3857. A bill to amend section 334(b) of the Internal Revenue Code of 1954 relating to the basis of property received by a corporation upon liquidation of a subsidiary; to the Committee on Finance.

By Mr. RIBICOFF:

S. 3858. A bill to amend the Social Security Act to extend certain temporary provisions and to require provision of assistance under plans for aid to families with dependent children where dependency is due to unemployment of a parent; to the Committee on Finance.

(See the remarks of Mr. RIBICOFF when he introduced the above bill which appear under a separate heading.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JAVITS:

Address delivered by William S. Vaughn, president of the Eastman Kodak Co., to the National Association of Photographic Manu-

facturers, on September 9, 1966, at Washington, D.C.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO AID TO CERTAIN FAMILIES WITH NEEDY CHILDREN

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act. The bill consists of two amendments to the public assistance programs of the act.

The first amendment provides for a 5-year extension of the provisions of the Public Welfare Amendments of 1962. Under existing law these amendments expire on June 30, 1967. My amendment would extend these provisions until June 30, 1972.

The second amendment provides that the provisions in the law for assistance to the needy children of unemployed parents, must be included in each State plan for aid to families with dependent children. Under the existing law, a State may elect to provide assistance to children where a parent is dead, disabled, or absent from the home, or where the parent is unemployed. A number of States and the Congress acting for the District of Columbia, have not taken advantage of the 1962 provision to extend aid to the needy children of unemployed parents. My amendment provides that every State, and the District of Columbia, must put into operation by July 1, 1969, the program for aiding needy children, where the parent is unemployed.

This will enable ample and serious consideration to be given to the problem of aid to needy children when we consider the extension of the Public Welfare Amendments of 1962.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 858) to amend the Social Security Act to extend certain temporary provisions and to require provision of assistance under plans for aid to families with dependent children where dependency is due to unemployment of a parent introduced by Mr. RIBICOFF, was received, read twice by its title, and referred to the Committee on Finance.

TROOP DEPLOYMENT IN EUROPE—AMENDMENTS

AMENDMENT NO 934

Mr. CLARK submitted amendments, intended to be proposed by him, to the resolution (S. Res. 300) to express the sense of the Senate with respect to troop deployment in Europe, which were ordered to lie on the table and to be printed.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1967—AMENDMENT

AMENDMENT NO. 935

Mr. LAUSCHE. Mr. President, I submit an amendment intended to be proposed by me to H.R. 14745, the bill making appropriations for the Department of Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1967, and for other purposes which is now before the Senate.

The President's budget for the Department of Health, Education, and Welfare recommended \$10,083,184,500. The Senate Committee on Appropriations, in its consideration of H.R. 14745, appropriated \$10,473,309,500, which is an increase of \$390,125,000 over the President's recommendation. My amendment, if adopted, will reduce the moneys sought to be appropriated in the bill to substantially what the President recommended in his budget. The amount of the reduction would be \$426,164,000.

The important discussion among the people of the Nation, the Members of Congress, and the President's Cabinet deals with the subject of inflation. The thinking is uniform that to curb the growth of the forces of inflation, the first place to start is by a reduction of Federal spending. The bill before the Senate fails to give heed to the aforementioned principle, but even makes things worse by increasing the amount of spending recommended by the President.

I ask that the amendment be printed and lie at the desk.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

ADDITIONAL COSPONSOR OF BILL

Mr. CARLSON. Mr. President, I ask unanimous consent that, at its next printing, the name of my colleague, the junior Senator from Kansas [Mr. PEARSON] be added as a cosponsor of the bill (S. 3854) to provide for the issuance of a special postage stamp in commemoration of Dr. William C. Menninger for his pioneering work in the field of mental health.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSIONS

On request of Mr. MANSFIELD, and by unanimous consent, the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nomination on the Executive Calendar will be stated.

DIRECTOR OF THE MINT

The legislative clerk read the nomination of Eva B. Adams, of Nevada, to be Director of the Mint for a term of 5 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

CORRECTION OF THE RECORD

Mr. DIRKSEN. Mr. President, in the CONGRESSIONAL RECORD for September 19, 1966, on page 22148, at the bottom of column 2, it reads "George Washington was inaugurated as our first President on September 24, 1789." This should read "April 30, 1789" and I ask that the permanent RECORD be corrected accordingly.

The ACTING PRESIDENT pro tempore. The correction will be made.

CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of measures on the calendar, beginning with Calendar No. 1599 and the succeeding measures in sequence.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MODERNIZATION OF THE FEDERAL SEED ACT

The Senate proceeded to consider the bill (H.R. 15662) to amend the Federal Seed Act (53 Stat. 1275) as amended which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 19, after the word "section", to strike out "of" and insert "for"; on page 3, line 9, after the word "Not", to strike out "Stated:" and insert "Stated."; in line 12, after the word "the", to strike out "label." and insert "label;"; in line 20, after "U.S.C.", to strike out "1571 (B)" and insert "1571 (b)"; on page 4, line 13, after "(i)", to strike out "The" and insert "the"; on page 8, line 17, after the word "including", to strike out "noxious weed" and insert "noxious-weed"; on page 10, line 1, after "Sec. 12.", to insert "(a)"; at the beginning of line 17, to strike out "(b)" and insert "(b)"; at the beginning of line 19, to strike out "(c)" and insert "(e)"; on page 11, line 6, after the word

"as", to strike out "stated." and insert "stated."; in line 9, after "(4)", to strike out "Any" and insert "any"; in line 21, after "(5)", to strike out "Any" and insert "any"; on page 14, at the beginning of line 20, to strike out "pure"; and, in line 24, after the word "time", to insert "to time".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1632), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF BILL

This bill would simplify, modernize, and otherwise improve the Federal Seed Act. It would—

(1) Delete specific references to Alaska and Hawaii, since they are now States;

(2) Delete a long statutory list of agricultural seeds which has been superseded by regulations authorized by law;

(3) Substitute "soybeans", "flax", "carrot" and "radish" (which represent single species) for "wheat", "oat", "vetch", and "sweet-clover" (which represent more than one species) as examples of names of kinds of seed, since the use of wheat, oat, vetch, and sweetclover as examples prevents the Secretary from requiring separate kind names for each of the species represented by those names;

(4) Require agricultural seed generally labeled as to variety either to be so labeled or to be labeled so as to make it clear that the variety is not stated on the label;

(5) Require hybrid agricultural or vegetable seed (except lawn and turf mixtures in containers of 50 pounds or less) to be labeled as hybrid, since hybrid seed will not ordinarily produce seed suitable for planting;

(6) Require inoculated seed to be labeled as to the date the inoculant is no longer claimed effective;

(7) In the case of containers of more than 1 pound, remove the requirement that seed of below standard germination bear the words "below standard," since purchasers in that quantity understand the actual germination data shown;

(8) Remove the 9-month limit on the expanded period the Secretary may allow between germination test and introduction into commerce, since new packaging provides longer viability;

(9) Permit lawn and turf mixture in containers of 50 pounds or less to omit statements concerning germination of other agricultural seed components and origin, since these are not significant to lawn and turf seed purchasers;

(10) Include seed treatment among the items on which records must be kept so that compliance can be determined;

(11) Provide for "reasonable" instead of "all proper" precautions being taken to insure proper identification of certain seeds (not considered a material change);

(12) Provide that seed would not be deemed mislabeled as to treatment if the substance used was indistinguishable from the substance intended to be used. This provision is intended to protect not only persons treating the seed, but also purchasers who relabel and are unable to distinguish the treated seed from seed treated with the substance shown by the label;

(13) Require imported seed to be labeled

as to each 5 percent component of agricultural seed, and to designate as hybrid each 5 percent hybrid component;

(14) Require imported seed that has been treated to show the same information as to treatment required of seed in interstate commerce;

(15) Permit selective (rather than universal) testing of imported seed for pure live seed content, so as to avoid delays in importation. (The importer may, at his cost, have any lot tested. All seed in interstate commerce must be correctly labeled, so the general public is protected.);

(16) Permit importation of seed not meeting pure live seed, or staining, requirements, where it is to be used only for seed production by or for the importer;

(17) Repeal the statutory tolerances on noxious-weed seeds in imported seed, since tolerances are also provided in the testing operation, resulting in a double tolerance at the present time; and

(18) Amend the definition of interstate commerce to apply to labeling for treatment in the same manner as to labeling for variety and origin.

COMMITTEE AMENDMENTS

The committee amendments (except for the deleting "pure-" in sec. 18) correct typographical errors, punctuation, citations, and subsection designation. The deletion of "pure-" in section 18 is required because the Department has informed the committee that it is impossible to determine the pure-live seed content of a component in a mixture, there being no way of identifying the chaff and other inert matter.

AMENDMENT OF THE CONSOLIDATED FARMER'S HOME ADMINISTRATION ACT OF 1961

The bill (H.R. 15510) to amend the Consolidated Farmer's Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1633), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill permits the Department of Agriculture, in servicing an insured loan, to hold amounts prepaid by the borrower and transmit them to the noteholder as they become due. Under existing law all prepayments must be transmitted to the noteholder not later than the first annual installment due date following their receipt.

The objective is to make the loans attractive to investors by providing for a constant predictable flow of payments. The interest accruing on any prepayment between the date it is received by the Department and the date it is transmitted to the noteholder is borne by the Government. However, this does not necessarily represent a loss to the Government since it has the use of the funds during that period.

In many instances, cumulative prepayments are sufficient to preclude any payment being required on the note for several years. Many investors object strenuously when they do not receive at least the amount of accrued interest on each installment due date. Some also object because under present reg-

ulations the amount of annual earnings on their investment cannot be predicted with any certainty. If a borrower makes a large prepayment, this reduces the lenders interest earnings in future years. The proposed amendment would make it possible to advise investors of the exact amount of interest and principal they will receive each year except for final payments in full. The proposed amendment would make these insured loans more attractive to investors because they would receive only the regular annual installments as they fall due, regardless of the aggregate amount of prepayments except final payments.

Prepayments not needed to meet installments when due would be retained in the insurance fund. The fund would bear the burden of paying interest accrued from the date of the prepayment to the date of transmittal to the holder. However, such interest cost would be minimized to the extent that prepayments held in the fund would be used to pay off borrowings from the Treasury, with the accompanying savings of interest on such borrowings, or to the extent that they would be invested in interest-bearing obligations of the United States.

GILMOUR C. MACDONALD, COLONEL, U.S. AIR FORCE (RETIRED)

The bill (H.R. 7546) for the relief of Gilmour C. MacDonald, colonel, U.S. Air Force (retired) was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1653), explaining the purposes of the bill.

There being no objection, the excerpt, was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to waive any statute of limitations and confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment upon any legal or equitable claim filed by Gilmour C. MacDonald for compensation for the use during World War II and the Korean conflict of a tubular caltrop tire-puncturing device allegedly invented by him.

STATEMENT

The House report in its favorable action on H.R. 7546, relates the following:

"The bill, H.R. 7546, was the subject of a subcommittee hearing on June 9, 1966, at which time the subcommittee heard testimony in support of the bill and testimony in opposition by representatives of the Air Force. At that hearing the attorney for the claimant and the claimant himself testified as to the circumstances under which Mr. MacDonald disclosed his idea of a caltrop tire-puncturing device to the United States through the National Inventors Council. As is noted in the Department of the Air Force report, on September 30, 1940, the National Inventors Council received a letter from Gilmour C. MacDonald suggesting a design for a tubular caltrop device to be used for military purposes. Enclosed with the letter were photographs of the device. At the time of this submission Mr. MacDonald had not yet entered upon active duty with the Army. The Air Force report further noted that on November 25, 1940, the claimant also submitted a similar letter with photographs of the same device to the Field Service Section, Material Division of the Army Corps at Wright Field, Ohio.

"The information submitted to the committee and the exhibits of the device displayed to the committee at the hearing establish

the fact that a caltrop is a four-pointed metal device so constructed that three of the points form a base on the ground and the other sharpened point extends directly upward. Colonel MacDonald's design was constructed of tubular material for the purpose of deflating the tires of enemy vehicles or aircraft. One of the points relied upon by Colonel MacDonald in connection with his claim is that the tubular construction could cause tire deflation even if there was a self-sealing feature to the tire.

"The Air Force report details the circumstances and some of the history concerning the matter and it is apparent that Colonel MacDonald has over the years sought to assert his claim by some administrative action; however, the Air Force report observed that as far back as 1948, the review of the matter by the Departments of the Air Force and Army resulted in the determination that there was no apparent statutory authority to settle the claim. However, the committee feels that this course of action shows that Colonel MacDonald was diligent in seeking to maintain his right to claim compensation and that, therefore, the committee is justified in recommending a waiver of any applicable statute of limitations which might be asserted to bar his claim.

"The committee feels that a jurisdictional bill is the only fair and logical way to resolve this matter. There are difficult legal and factual questions concerning the claim which can best be resolved by the Court of Claims. Each year that court considers a large number of claims involving patents and it is, therefore, logical that this forum be selected for the consideration of this case."

The committee, after consideration of all of the foregoing, concurs in the action of the House of Representatives and recommends that the bill, H.R. 7546, be considered favorably.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES SITUATED IN THE STATE OF PENNSYLVANIA

The bill (H.R. 11253) to provide for the conveyance of certain real property of the United States situated in the State of Pennsylvania was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1652), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to authorize the Attorney General to convey approximately 2.73 acres of land to the White Deer Baptist Church of Allenwood, Pa., upon payment to the United States of the fair market value of the land.

STATEMENT

In reference to this claim, the House relates the following:

"The Department of Justice in its report to the committee on the bill stated that it would have no objection to the enactment of the bill.

"The White Deer Baptist Church of Allenwood, Pa., occupies a church site of 1.59 acres, which is entirely surrounded except for access to a road by the 4,226-acre Federal prison camp at Allenwood. The land described in the bill would expand the church site on three sides so as to make it possible for the

church to furnish parking facilities for its members. Further, the information supplied to the committee indicates that the present boundaries of the land are such that one corner of the church building is within inches of the boundary.

"In its report to the committee, the Justice Department indicated that the description contained in the bill was not as precise as might be desired. In the course of the consideration of the bill, the members of the committee inquired into the matter of the description and have concluded that the description in the bill is adequate for the purpose of authorizing a conveyance of the land which is the purpose of the bill. The precise description would be contained in any conveyance by the United States executed under the authority of the legislation. The principal difference between the description in the bill and the Department report is that the Justice Department would seek to except the land now owned by the church by a metes and bounds description.

"This exception is already referred to in section 1 of the bill. It is felt that the actual conveyance of the land by deed from the United States can make this exception in accordance with the authority expressly provided in the bill, and it is further suggested that such a conveyance be made on the basis of an actual survey of the land which will accurately fix the boundaries so defined.

"In view of the fact that the Department of Justice does not object to the conveyance and the bill provides that the conveyance shall be made upon payment of the fair market value as determined by the Attorney General, the committee has determined that the authorization is to the best interest of the Government and the church."

The committee has reviewed the foregoing and the attachments hereto, and concurs in the action of the House of Representatives, and recommends that the bill, H.R. 11253, be considered favorably.

BILL PASSED OVER

The bill (H.R. 5912) for the relief of the estates of certain former members of the U.S. Navy Band was announced as next in order.

Mr. MANSFIELD. Mr. President, I ask that the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF THE TRADING WITH THE ENEMY ACT

The bill (S. 3353) to amend the Trading With the Enemy Act to provide for the transfer of three paintings to the Federal Republic of Germany in trust for the Weimar Museum was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 39 of the Trading With the Enemy Act, as amended (62 Stat. 1246, 50 U.S.C. App., sec. 39), is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of subsections (a) through (d) of this section, the Attorney General is hereby authorized to transfer the three paintings vested under Vesting Order Numbered 8107, dated January 28, 1947, to the Federal Republic of Germany, to be held in trust for eventual transfer to the Weimar Museum, Weimar, State of Thuringia, Germany, in accord with the terms of an agreement to be

made between the United States and the Federal Republic of Germany."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1635), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to authorize the Attorney General on behalf of the United States to transfer certain paintings to the Federal Republic of Germany to be held in trust for eventual transfer to the Weimar Museum, Weimar, State of Thuringia, Germany, in accordance with the terms of an agreement which will be made between the United States and the Federal Republic of Germany if the legislation is enacted.

STATEMENT

The bill is recommended by both the Department of State and the Attorney General of the United States.

The three paintings consist of "Self Portrait" by Rembrandt, "Portrait of a Man" by Terborch and "Portrait of a Young Woman" by Tischbein and are of substantial artistic and historical importance, as well as being valuable.

Photographs of the three paintings, before and after restoration, are currently in the committee files. The following is in brief the recent history of the paintings:

The paintings, which are the subject of this legislation, were stolen on April 18, 1922, from the Weimar Museum by two German soldiers, both unidentified. At a later stage they were purchased by a German merchant seaman who brought them to this country in 1934 where they were acquired by a U.S. citizen who resided in Dayton, Ohio. The Office of Alien Property, learning in 1946 of the presence of these paintings in the United States and their background, vested the paintings on the basis that the paintings were German owned.

Under existing legislation the Department of Justice cannot return the paintings to Germany even though they were stolen, but is required to sell them and deposit the proceeds in the war claims fund. The Department of State is of the view that it would be prejudicial to our foreign relations to sell these paintings, which are part of the German cultural heritage. The paintings, as valuable works of art, should go back to the German people. Since they cannot be returned under present U.S. laws, a view concurred in by the Department of Justice, it is necessary that return be authorized by this legislation which the committee recommends favorably to the Senate.

Since the Weimar Museum is in East Germany, and is subject to a regime which the U.S. Government does not recognize as a legitimate government, the legislation provides for the return of the paintings to the Federal Republic of Germany to be held in trust for eventual return to the Weimar Museum. This committee has received from the State Department draft copies of the proposed exchange of notes copies of which are attached hereto, under which the Federal Republic of Germany would agree with the United States to hold the paintings in trust for such eventual return. These notes would be exchanged between the two Governments as soon as the legislation is enacted.

Evidence before the committee indicated a rather nebulous cloud on the title of the Rembrandt "Self Portrait." This cloud arises from an arbitral decision of the highest state court of Thuringia some 48 years ago which, being in East Germany, is not available for examination. Since the committee is precluded from examination of the East Ger-

man court records it could not make its own determination of the title dispute, if any. For this reason the committee recommended that the proposed exchange of notes between the United States and the Federal Republic of Germany be revised so as to permit the resolution of this possible title dispute by the proper German forum. It is noted that presently, under the sovereign laws of the United States, absolute fee simple title of the three paintings resides in the U.S. Government. However, the committee was reluctant to use the sovereignty of the United States as a means of precluding any just claim by a German civilian. The committee therefore suggested that the paintings be put in the same position, after time of the original theft from the Weimar Museum.

The Department of State has been in communication with the representatives of the Federal Republic of Germany. They fully concur in the proposed legislation and the exchange of notes containing the suggested committee revision.

In normal course, these paintings would have been sold by the Attorney General at public sale and the proceeds transferred to the Treasury for deposit to the war claims fund. Since these paintings, however, are valuable works of art which form a part of the cultural heritage of the German people, it is felt that the disposition by sale would be prejudicial to the foreign relations of the United States.

Legally, if it is considered that a public sale of this vested property does not serve the public interest of the United States then this legislation is necessary to return the paintings to Germany for the following reasons:

Although the Attorney General has broad powers to deal with vested property under section 5(b) of the Trading With the Enemy Act, these powers may be limited by section 39 of the Act. Section 39(a) has long prohibited returns of vested property to Germany and its nationals; and the amendment of section 39 by Public Law 87-846 of October 22, 1962, further requires that the net proceeds remaining upon completion of the administration, liquidation and disposition of vested property shall be covered into the Treasury for deposit in the war claims fund. There is doubt, therefore, that the Attorney General could transfer title to these paintings to the Federal Republic of Germany without enabling legislation such as S. 3353.

The Office of Alien Property received confirmation of the paintings' authenticity and information on their ownership in a letter of September 27, 1946, from Wilhelm R. W. Koehler. A copy of this letter has been furnished to the committee. Mr. Koehler was director of the Weimar Museum when the paintings were stolen, and he was in 1946 associated with the Foggs Museum of Art at Harvard University. He reported that the Weimar Museum was a public institution the administration of which was directly dependent on the Ministry for Culture of the State of Thuringia. He said unequivocally that the museum owned the Terboch and Tischbein paintings. With respect to the Rembrandt self-portrait he reported that it was originally the property of the Grand Duke of Sachsen-Weimar and was loaned by him to the museum in 1909 along with other works of art. It remained his property until after the revolution of 1918. At that time, the highest court of Thuringia, acting as an arbitration committee, decreed that the loaned works of art, including the Rembrandt, should go to the State of Thuringia.

Under the Trading With the Enemy Act it made no difference to the exercise of the power to vest if the paintings were owned by a German governmental institution or by one or a group of German nationals resident in Germany. Germany property was vestible. Moreover, it was clear that the American

purchaser of the stolen paintings had not obtained good title to them either under the law of the State of New York where they had been purchased, nor under the law of the State of Ohio where they were located. Accordingly, on February 28, 1947, vesting order No. 8107 vested title to the paintings in the Attorney General to be held for the United States. The paintings were then shipped to Washington, D.C., where they have been stored in the vaults of the National Gallery of Art.

The monetary value of the three paintings is not readily assessable. It should be noted, however, that the failure to credit to the war claims fund whatever value may fairly be attributed to them would not substantially prejudice the rights of any claimant to that fund, deposits to which currently exceed \$464 million.

The committee has received assurance from the Department of State that prior to transfer of these paintings to the Federal Republic of Germany there will be a public showing at the National Gallery of Art for the artistic and cultural benefit of the citizens of the United States.

In view of the foregoing the committee recommends favorable enactment of S. 3353.

AMENDMENT OF TITLE 28, ENTITLED "JUDICIARY AND JUDICIAL PROCEDURE" WITH RESPECT TO THE COURT OF CLAIMS

The Senate proceeded to consider the bill (H.R. 1665) to amend title 28, entitled "Judiciary and Judicial Procedure" of the United States Code to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment in special jurisdictional cases and for other purposes which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That section 1492 of title 28, United States Code, is amended to read as follows:

"§ 2509. Congressional reference cases

"Any bill, except a bill for a pension, may be referred by either House of Congress to the chief commissioner of the Court of Claims for a report in conformity with section 2509 of this title."

SEC. 2. Section 2509 of title 28, United States Code, is amended to read as follows:

"§ 2509. Congressional reference cases

"(a) Whenever a bill, except a bill for a pension, is referred by either House of Congress to the chief commissioner of the Court of Claims pursuant to section 1492 of this title, the chief commissioner shall designate a trial commissioner for the case and a panel of three commissioners of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding commissioner of the panel.

"(b) Proceedings in a congressional reference case shall be under rules and regulations prescribed for the purpose by the chief commissioner who is hereby authorized and directed to require the application of the pertinent rules of practice of the Court of Claims insofar as feasible. Each trial commissioner and each review panel shall have authority to do and perform any acts which may be necessary or proper for the efficient performance of their duties, including the power of subpoena and the power to administer oaths and affirmations. None of the rules, rulings, findings, or conclusions authorized by this section shall be subject to judicial review.

"(c) The trial commissioner to whom a congressional reference case is assigned by





Public Law 89-633
89th Congress, H. R. 15510
October 8, 1966

An Act

80 STAT. 879

To amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to hold prepayments made to the Secretary by insured loan borrowers and transmit them to the holder of the note in installments as they become due.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of subsection 309(f) of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out the words "the due date of the annual installment" and inserting in lieu thereof the word "due".

Farmers Home
Administration
insured loans.
Prepayment.
75 Stat. 310.
7 USC 1929.

Approved October 8, 1966.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1785 (Comm. on Agriculture).
SENATE REPORT No. 1633 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 112 (1966):
Sept. 6: Considered and passed House.
Sept. 26: Considered and passed Senate.

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